

Catapult acquires leading Athlete Management System (AMS) for elite and prosumer markets

Key highlights

- Catapult acquires the *SportsMed Elite* and *Baseline* athlete management system (AMS) products and clients, and recruits key personnel, from SMG Technologies Pty Ltd (SMG) for \$1.9m
- The acquisition delivers on a key Catapult strategic objective – the capability to provide teams with a centralised data repository and analytics platform across a wide range of club data sources
- Integration of AMS products will extend Catapult's ability to provide teams with AI and machine learning-based analytics beyond the current streams of data (wearable and video)
- Significant incremental subscription revenue opportunity via cross-selling to Catapult's c.1,500 existing client base

Catapult Group International Ltd (Catapult, ASX:CAT) is pleased to announce it has entered into an agreement to acquire the *SportsMed Elite* and *Baseline* athlete management system (AMS) products from Brisbane based SMG Technologies Pty Ltd (SMG) (the Transaction).

AMS products acquired

SportsMed Elite is a leading SaaS product with an existing global user base of elite sporting clubs and associations. The modularised cloud-based platform acts as a store of team data and information, including player wellness metrics, injury and medical records, wearable data, and video. Permission based access enables coaches and staff to run analytics and output reports across data sets covering their entire playing group, and securely manage team calendars and player communication from within the platform. By bringing together coaching, strength and conditioning and medical data, the platform delivers an analytics layer that helps elite organisations make better and more informed decisions.

Baseline is a team AMS solution specifically designed for the sub-elite market, with a simplified set of features delivering intuitive functionality and insights specifically for schools and semi-professional sporting groups.

Both products have an existing global customer base, and while there is some minimal overlap with Catapult's existing client list, the Transaction delivers a compelling cross-sell opportunity.

Commenting on the Transaction, Bevin Shields, Head of Corporate Development at Catapult said: "The products already have a highly engaged global user base spanning elite clubs, leagues, colleges, universities, and high schools. We think there is an exciting opportunity to leverage our existing channels and roll out a uniquely integrated Catapult AMS solution that benefits both our growing customer base and the broader market."

Strategic rationale

The integration of an AMS platform into Catapult's existing product line is consistent with the first leg of our strategy – to own the performance technology stack for elite sport. This integration:

- enables the creation of a parent layer application tying together Catapult's existing elite software products;
- widens the scope of Catapult's technology stack to include the measurement and analysis of both off-field and on-field data;
- creates a centralised data management system, expanding Catapult's analytics product capabilities across multiple data sources beyond wearables data and video;
- delivers a number of new clients as well as a compelling cross-sell opportunity in key target markets;
- provides incremental revenue opportunities from existing clients and a sales touchpoint for teams and leagues not currently using Catapult's family of products; and
- enables the storage of and access to broader data streams to feed advanced algorithms.

Joe Powell, CEO of Catapult said: "This Transaction is central to the continued evolution of Catapult as the global market leader for analytics solutions for elite sports. The addition of an AMS platform will enable the expansion of our analytics offering, using multiple data sources to deliver better outcomes for teams and incremental commercial opportunities for Catapult."

Accelerated integration plan

Six SMG employees, including AMS product, development, and support staff, will transfer to Catapult as part of the Transaction, bringing with them deep product category expertise and sales experience. Business-as-usual product functionality during the six-month transition phase will be supported by SMG under a transitional services agreement tied to deferred consideration payments.

Joe Powell, CEO of Catapult said: "We're really excited to be able to combine our existing sales and support infrastructure with SMG's AMS product expertise. We've done a lot of work internally to ensure we're well prepared to quickly integrate this product into our technology stack, and roll it out through our sales channels to our large elite client base."

Transaction summary

The total Transaction consideration includes:

- upfront cash consideration of \$1.4 million;
- \$0.25m of cash and \$0.25m of CAT scrip¹, payable to SMG subject to performance hurdles relating to the successful transfer and transition of the products to Catapult; and
- up to \$2 million of deferred cash consideration over the next 2 years, payable on incremental revenue generated from Catapult AMS.

DLA Piper acted as legal adviser to Catapult.

Further information

Further details regarding the Transaction will be provided to shareholders along with our FY17 results on 31 August 2017.

For media and investor enquiries please contact:

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¹ Any new shares issued are subject to a 12-month escrow period. The number of shares to be issued will be calculated by dividing \$0.25m by CAT's 30-day VWAP immediately prior to the deferred consideration payment date.